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SECTION I – GENERAL CLARIFICATION

GENERAL CLARIFICATION 1

PROGRAM: Please provide detailed program information for each use. For residential, retail, commercial office, and other uses please describe:

Question

a. Total square footage by type

Response

Program	# sf	# of Buildings
Retail Space	1,000,000	multiple
Hotel / Conference Center	500,000	1
Office Space	500,000	1
Residential Towers	1,300,000	6
Life Style Residential	700,000	2

Question

b. Total number of buildings by type

Response

See the table above.

Question

c. Expected tenancy (by type of business, family size, etc)

Response

CRC expects a wide variety of tenants ranging from small businesses to Fortune 500 companies.

Question

d. Expected rent/sales price per square foot

Response

Retail Program	Total sf	Rental Rate per SF	Number of Tenancies	Size of Tenants
Retail Space	1,000,000	market	TBD	1,000 sf and above
Office Program	Total sf	Rental Rate per SF *	Number of Tenancies	Size of Tenants
Office Space (Class A)	500,000	low \$30s	TBD	1,500 sf and above

* All rental rates are based on current market rates. Rates will increase or decrease based on market conditions.

See Question #2 for Residential rental and sales per square foot.

SECTION I – GENERAL CLARIFICATION

Question

e. Expected absorption and occupancy rates at stabilization

Response

Due to the large size of this development each component of the overall project is designed to be built in phases. Market conditions will determine the commencement of each phase. It is anticipated that the overall construction will be phased over a five to eight year period. Absorption of each section will occur over a one to two year period from construction completion.

Question

f. Schedule for commencement, completion, and occupancy of development

Response

Construction commencement would be within nine to twelve months of receiving zoning approvals.

Question

g. Unit mix for residential, and estimated size of retail tenancies

Response

Residential mix - Answer provided in Question 2.

Size of retail tenants - See the table above.

Question

h. Total number of workforce housing units, expected subsidy levels, and anticipated income requirements.

Response

Answer provided in Question 2.

SECTION I – GENERAL CLARIFICATION

GENERAL CLARIFICATION 2

PROPERTY VALUE: *Please provide detailed information about the value of the developed property, including but not limited to:*

Question

- a. Sales per Square Foot for Condominiums*

Response

CRC expects residential sales per square foot in the Life Style Center to range in price depending on the type and layout of each apartment unit. CRC expects that typical sales per square foot will reflect the current market conditions.

Question

- b. Rental price per Square Foot for Rentals*

Response

Rental apartments in the Residential Towers will include Next Generation Housing, senior housing and market rental apartments. Twenty percent of the Residential Towers will be allocated as Next Generation Housing and senior housing. The Residential Towers will have a diverse demographic mix throughout all six buildings.

CRC will provide one, two and three-bedroom units as Next Generation Housing and market rate units creating opportunities for a variety of household types from single workers to families. Income and subsidy levels will be based on the then-current guidelines.

Next Generation Housing units will rent at the then-current prevailing HUD and the New York State Housing Finance Agency guidelines. Currently, these rates are approximately \$740 for one bedroom, \$885 for two bedrooms and \$1,025 for a three-bedroom unit.

Question

- c. Average Sales Price by Size of Unit*

Response

CRC will offer a collection of apartments varying in size and layout in the Life Style Center. These units will be priced according to the then-market rate for comparable residential condos.

Question

- d. Annual sales per square foot for retail space*

Response

CRC expects retail sales to average \$400 per square foot.

SECTION I – GENERAL CLARIFICATION

Question

e. Estimated Average Daily Room Rate (ADR) if applicable

Response

CRC's Average Daily Room Rate (ADR) will be competitive with nearby lodging accommodations. Based on today's rates, a one night stay at the adjacent Marriott Hotel is \$169 for a Saturday night and \$219 for a weeknight.

SECTION I – GENERAL CLARIFICATION

GENERAL CLARIFICATION 3

PARKING: Please provide a parking program for your development, indicating in detail the number of parking spaces and the type of parking (e.g., Deck, Surface, Underground) you plan to build at the site.

Question

- a. How will that parking be allocated, or will it be shared by all facilities at the site?

Response

Parking shall be shared among the development through several structured parking decks. The required parking for the entire development is 13,191 spaces. CRC will provide a total of 17,874 spaces.

Decked Parking Program		Parking Provided	Number of Floors
	Parking Deck Adjacent to Coliseum	8,130	5 floors
	Parking Deck Adjacent to Stadium	4,200	6 floors
	Lifestyle Center & Hotel / Conference Center	4,229	3 floors
	Residential Towers	1,315	4 floors
Total		17,874	

SECTION I – GENERAL CLARIFICATION

GENERAL CLARIFICATION 4

ZONING: *Please outline the relationship between your proposal and existing local zoning regulations. Discuss any variation from “as-of-right” zoning in terms of height, bulk, use, parking regulations, and other issues.*

Question

- a. Explain a strategy to secure local land use approvals.*

Response

Currently, the majority of site is zoned Residential B which permits single family housing. The remaining balance of the site is zoned Mitchell Field Hotel.

Renovations to the Coliseum itself would not require any rezoning. The Coliseum itself falls under Nassau County's jurisdiction.

CRC has met with Town of Hempstead officials and discussed the approval process. CRC would work with the Town and propose an entirely new zone through a Planned Urban Development (PUD). The Town Board would hold a public hearing and then adopt the new zone. The process to get the site rezoned takes 2-3 years.

Any height, bulk, use, parking regulations and other issues will be managed through the PUD. CRC's is not planning to build any structure taller than any existing building in the surrounding area.

SECTION I – GENERAL CLARIFICATION

GENERAL CLARIFICATION 5

SCHEDULE: *Please provide a detailed schedule of the pre-development, construction, and development phases of your proposal. Include your estimates of the timing of any approvals, payments to and from the County, and any key “trigger” events to payments for leases and/or other items.*

Response

As previously stated in the CRC’s initial response to the County, CRC shall pay Approvals Period Rent of \$1,500,000 per year, commencing on the commencement of the fifth year after the Lease Agreement Effective Date, offset by any net gain under the SMG agreement.

The Approvals Period is a 24 month period, subject to a 24 month extension. If any litigation occurs, the Approvals period may be further extended. If in any event, the Lease terminates automatically if the Lease Commencement Date does not occur within 7 years of the Lease Agreement Effective Date.

During the Approvals Period, CRC will attempt to accomplish the following:

- (i) Obtaining all required Town of Hempstead zoning changes, site plan approvals, building permits, and all other governmental approvals for planned renovation of the Coliseum and construction of other improvements on the Coliseum Site;
- (ii) Arranging financing, including IDA financing, any State financing or grants, any institutional financing, and/or private investment;
- (iii) Finalize agreement with SMG; and
- (iv) Extending the Islanders’ Lease to July 31, 2025.

If the Lease Commencement Date does not occur prior to the expiration of the Approvals Period, the County may terminate the Lease. CRC may terminate the Lease at any time during the Approvals Period. CRC may waive any of the foregoing conditions whereupon the Lease Commencement Date shall occur.

SECTION I – GENERAL CLARIFICATION

Based on conversations with SMG, the proposed Coliseum improvements will be done in phases as to not interrupt operations. If the Islanders could relocate during renovation, the total time to renovate the Coliseum would take one year to complete.

This Schedule is solely for the renovation of the Coliseum and shall commence promptly after Developer Selection Date.

Coliseum Renovation Schedule

	Time Period
Preliminary Design	6 months
Construction Documents	6 months
Approval Period	6 months
Construction Period	18 months
TOTAL	36 months
	3 years

SECTION I – GENERAL CLARIFICATION

GENERAL CLARIFICATION 6 **PAYMENTS AND GUARANTEES.**

Question

- a. *What contingencies or conditions, if any, are tied to any lease payments and/or donations of land to the County?*

Response

Answered in Question 5.

Question

- b. *What guarantees (if any) will you provide in the event you are unable to secure approvals or financing, or otherwise do not complete any aspect of this project by stated deadlines?*

Response

CRC will have over \$1,000,000 in costs to go through the zoning process. So long as CRC is using good faith efforts and actively pursuing land use approvals, the Lease will be in full force and effect. CRC will take on all monetary risks associated with obtaining the required Approvals. In the event the Approvals are not granted, CRC will not seek reimbursement from the County.

Once CRC has obtained the PUD, County and Health Department Approvals along with the Building Permit for the first phase, CRC will provide a construction completion guarantee for the Coliseum Renovation satisfactory to the County. The guarantee can be in the form of a Letter of Credit as spelled out in our response to the RFP or some other form reasonably acceptable to the County.

SECTION II - PROPOSAL CLARIFICATION

PROPOSAL CLARIFICATION I

COLISEUM RENOVATION / IMPROVEMENTS: *Your proposal indicates that you would work with the County and Islanders to develop a redevelopment plan for the Coliseum.*

Question

- a. *Have you developed a preliminary scope for the Coliseum renovation?*

Response

CRC has obtained from a qualified stadium design firm a preliminary scope for the renovation of the Coliseum.

Question

- b. *Does the renovation plan assume any events other than Islanders games during the renovation period?*

Response

It is possible for events other than Islanders games to take place during the renovation period.

Question

- c. *What are the primary differences between the \$50 million in renovations proposed by Lighthouse (per your response) and the \$150 million that you propose be spent on the Coliseum?*

Response

It is impossible to differentiate the differences proposed by Lighthouse because CRC does not have Lighthouse's renovation budget.

Question

- d. *Would the parking garage be on the 16 acres site of the Coliseum or a part of the surrounding 61 acres? Please outline a strategy for the provision of parking including number of spaces, cost and location.*

Response

The County has never provided the Metes and Bounds description for the Coliseum portion of the lot, therefore it would be hard to answer this question at this time.

SECTION II - PROPOSAL CLARIFICATION

Question

- e. *If an agreement cannot be reached for the renovation of the Coliseum, your proposal indicates that the tenant (CRC) would pay \$300 million to the County as a “Renovation Fee” in lieu of performing the renovations and providing management of the Coliseum by CRC. If the payment is made to the County and the lease is not extended with the Islanders, your proposal indicates that the Tenant can exercise the right to build an alternative sports venue and parking deck. Does the Tenant retain all of the “Renovation Fee” for the development of an alternative sports use and parking or only the portion actually spent on the alternative use venues?*

Response

If the Islanders lease is not extended, CRC may need to spend a portion or all of the Renovation Fee on either modifying the Coliseum to accommodate another use or build a completely different venue. CRC would meet with the County to discuss the alternative use.

Question

- f. *If the County has received the “Renovation Fee” and the Islanders lease is extended, is the County obligated to spend the total “Renovation Fee” or only the amount agreed to by the County and the Islanders?*

Response

No. At a minimum parking decks must be built.

Question

- g. *What rights does the County have with regards to approving the development of the alternative use venues?*

Response

Early on CRC would work with the County to establish a list of alternative uses that could generically be placed in the PUD should the Islanders not extend their lease.

Question

- h. *What level of minor league Baseball would you propose for the project? What team would occupy the park? What are projected attendance levels, number of events, ticket prices and other projections for such a facility?*

Response

CRC would establish either an “A” or “Double A” Mets affiliated minor league franchise team. It is anticipated that the stadium will host 50 to 70 games each baseball season. CRC is projecting approximately 300,000 ballpark visitors throughout the year. Ticket prices are expected to be \$10-\$12.

SECTION II - PROPOSAL CLARIFICATION

Question

- i. *Is this an either/or scenario, or is it possible that both the renovation of the Coliseum and construction of a new baseball stadium occur?*

Response

As seen on the site plan, CRC is proposing both the renovation of the Coliseum and the construction of a new baseball stadium. Should the Islanders not extend their lease, CRC may decide to modify the plan to make the baseball stadium the focal point of the overall development.

SECTION II - PROPOSAL CLARIFICATION

PROPOSAL CLARIFICATION 2

COLISEUM OPERATIONS: *Your proposal indicates that all direct revenue will be retained by the tenant, including ticket sales.*

Question

- a. *Does this include all revenue from ticket sales for Islanders and Dragons games?*

Response

Yes. However, the costs of the staffing the events will be borne by the Islanders. All parking income will remain with CRC.

Question

- b. *The Islanders currently have a lease agreement with SMG and County for revenue-sharing initiatives.*
- i. *How would you renegotiate the terms of an agreement with the Islanders between the County and SMG with respect to the Islanders' guarantee of revenue from game-day events?*

Response

CRC is not privy to the current lease terms between the Islanders and SMG. However, CRC will negotiate a fair and equitable deal.

Question

- ii. *Is the offer for the Islanders to play "Rent Free" from the commencement of this transaction or the extension period only?*

Response

The offer can only be extended from the termination date of the current SMG agreement or the date which the new agreement commences.

SECTION II - PROPOSAL CLARIFICATION

PROPOSAL CLARIFICATION 3

FINANCING: *Please describe your experience in securing 90% debt financing for a project of this scale.*

Response

Sterling Equities and BDG has placed over \$3 Billion of real estate financings. This experience has allowed us to foster strong relationships with most of the major lending institutions. Sterling Equities and BDG will utilize these relationships to secure attractive debt quotes to finance this project. To achieve 90% leverage, CRC will obtain a first mortgage as well as mezzanine financing.

Based on current market conditions, CRC believes this is easily attainable. This structure of financing development projects has worked successfully in the past.

